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MILK MARKET INFORMATION BULLETIN  
CHATTANOOGA, TENNESSEE MARKETING AREA  
August 1968

OCT 8 - 1968

Number 1

Released Pursuant to \$1090.27(j) and \$1090.85, USDA-C&MS  
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411  
J. B. McCroskey, Market Administrator

MARKET SUMMARY - AUGUST 1968

The Chattanooga Order MINIMUM uniform producer price is \$6.22 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5% test. This is a price increase of 55 cents above August 1967 Order producer price of \$5.67.

In August 1968, 83.9% of the producer milk received by pool plants was priced in Class I at \$6.62 per cwt. and 16.1% was priced in Class II at \$4.20 per cwt. The August butterfat differential for Class I was 8.0 cents and Class II was 7.7 cents.

Total producer milk received during August 1968 was 18,645,254 pounds which is an increase of 1,207,427 pounds or 6.9% compared with August 1967. The August daily average deliveries per farm from 535 producers was 1,124 pounds. This compares to 548 farms delivering a daily average of 1,026 pounds per day during August 1967.

PLANTS DISTRIBUTING MILK IN FEDERAL ORDER NO. 90 AREA-AUGUST 1968

POOL PLANTS

Happy Valley Farms, Inc.  
Mayfield Dairy Farms, Inc.  
Ray Moss Farms, Inc.  
Nance's Dairy, Inc.  
Sealtest Foods  
Tenn. Valley Milk Producers, Inc.

FEDERAL ORDER NO. 101 - KNOXVILLE

Norris Creamery  
Pet Milk Company, Inc.  
Sealtest Foods  
Stoffell's Dairy  
Wolfe Enterprises

PARTIALLY REGULATED PLANTS

Coble Dairy Products  
Dempsey Bros. Dairy  
Superbrand Dairy Products  
Tro-Fe Dairy

FEDERAL ORDER NO. 98 - NASHVILLE

Avalon Creamery

FEDERAL ORDER NO. 46 - LOUISVILLE

Ideal Pure Milk Company

MILK BASE RULES

The following rules apply in connection with the establishment and assignment of producer milk bases for the Chattanooga Marketing Area:

- (a) A base shall be assigned to the producer for whose account milk is received at a pool plant during the months of September through January.
- (b) An entire base may be transferred effective as of the end of any month during which an application, on approved form, for such transfer is received by the Market Administrator.
  - 1. All base transfers shall be signed by the person transferring base and the person receiving base.
  - 2. If a base is held jointly, the transfer application shall be signed by all joint holders or their heirs.
- (c) A base established as a partnership may be divided between the partners on any basis agreed to in writing by the partners, provided written notification is given the Market Administrator.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Aug. '68 over Aug. '67	Aug. 1968 17	July 1968 10	Aug. 1967 8
Number of Plants (Pool and Non-Pool)				
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 6.9	601,460	570,597	562,511
Other Source	+ 87.5	37,194	29,736	19,838
Other Federal Orders	+ 374.1	216,421	157,772	45,644
TOTAL MILK RECEIPTS	+ 36.2	855,075	758,105	627,993
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 14.2	394,017	357,300	344,994
Skim - Regular	+ 28.6	21,151	19,169	16,446
Skim - 2% Milk	+ 44.3	47,435	42,419	32,878
Buttermilk	+ 24.0	49,794	45,252	40,162
Flavored Milk and Drink	+ 26.7	18,075	16,172	14,265
Creams (Sweet and Sour)	+ 9.6	3,200	3,140	2,920
Sub-Total - Pkg. Products (Pool Plants)	+ 18.2	533,672	483,452	451,665
Other (Shrinkage, Inventory, etc.)		5,993	3,657	2,899
Sales to Non-Pool Plants		130,913	73,959	13,604
In-Area Sales by Non-Pool Plants		37,487	2,696	1,356
TOTAL CLASS I MILK	+ 50.8	708,065	563,764	469,524
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 8.0	55,684	56,320	51,578
Cottage Cheese	+ 25.1	39,198	36,656	31,335
Powdered and Condensed Milk		-0-	25,381	22,446
Livestock Feed and Skim Dumped		8,162	8,681	5,691
Sub-Total - Used to Produce	- 7.2	103,044	127,038	111,050
Shrinkage Class II		11,878	10,907	10,219
Other (Inventory Variation, etc.)		(21,342)	3,727	7,269
Bulk Sales to Non-Pool Plants		53,430	52,669	29,931
TOTAL CLASS II MILK	- 7.2	147,010	194,341	158,469
Class I Pkg. Lbs. in Area - Pool Plants	+ 73.9	461,811	277,727	265,599
Class I Pkg. Lbs. Out of Area - Pool Plants	- 61.4	71,861	205,725	186,066
Class I Pkg. Lbs. in Area - Non-Pool Plants		37,487	2,696	1,356
% Producer Milk of Gross Class I		84.9	101.2	119.8
% Producer Milk Priced in Class I		83.9	77.1	75.9

CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

<u>Per § 1090.51(a) Amended</u>	<u>Sept. '68</u>	<u>Aug. '68</u>	<u>Sept. '67</u>
Basic Formula 1/	\$4.33	\$4.33	\$4.05
Plus Class I Differential 2/	1.95	1.95	1.95
Supply-Demand Adjustment	0.42	0.34	0.16
Class I Price, 3.5% Butterfat	\$6.70	\$6.62	\$6.16

SEPTEMBER 1968

Supply-Demand Comparison: 2nd and 3rd preceding months: June and July	
Supply: Lbs. Producer Milk (June 18,011,378 and July 17,688,502)	35,699,880
Demand: Lbs. Net Class I Milk (June 15,921,726 and July 17,393,100)	33,314,826
Utilization Percentage: Producer milk divided by Class I	107
Standard Utilization Percentage: Range 128-132	128
Net Deviation Percentage: Utilization minus Standard Utilization	Minus 21
Supply-Demand Adjustment: 2 cents x 21 percentage points	Plus \$0.42

1/ Basic Formula "Floor" per Order Amendments

2/ Increased 20 cents - May 1967 through April 1969



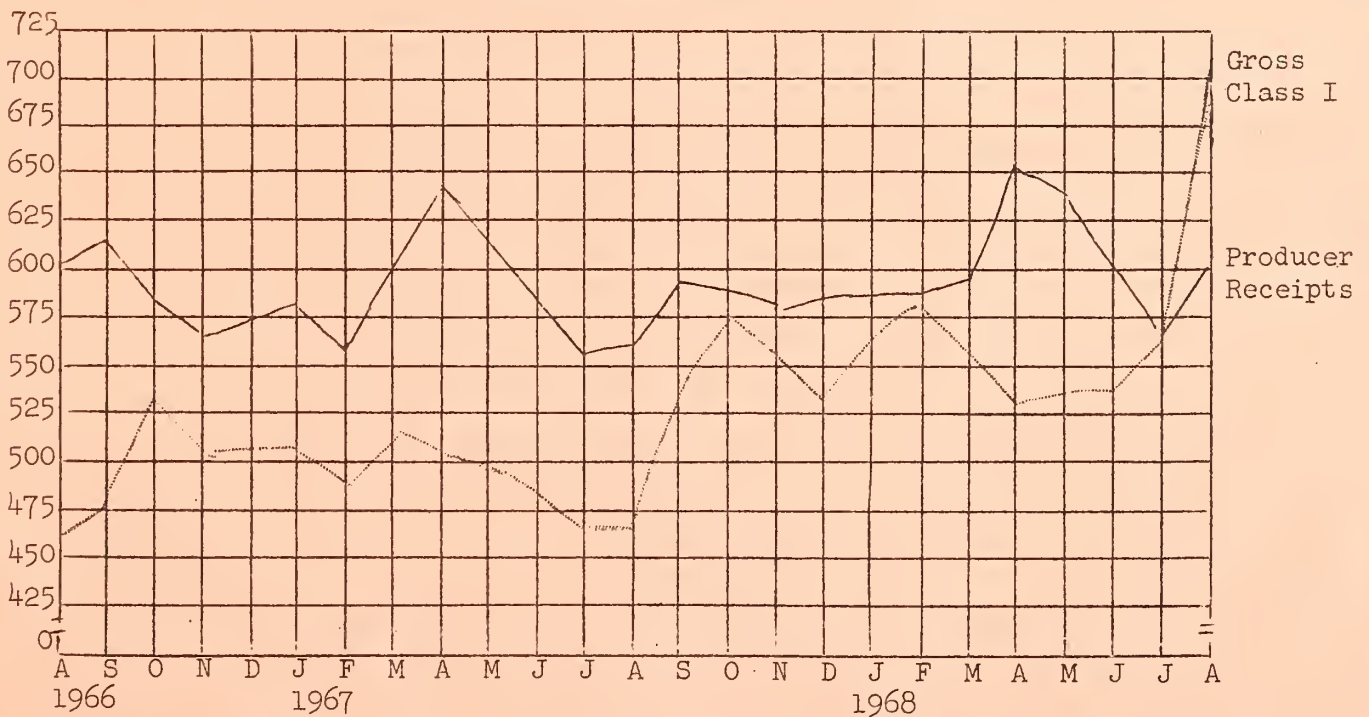
## COMPUTATION OF PRODUCER UNIFORM PRICE

AUGUST 1968	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		21,950,028	3.357		
Less Other Source		6,311,637	3.251		
Producer Milk Class I	83.9	15,638,391	3.399902	\$6.539922	\$1,022,738.57
Gross Class II		4,557,287	4.836		
Less Other Source		1,550,424	3.614		
Producer Milk Class II	16.1	3,006,863	5.466561	5.714252	171,819.73
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	18,645,254	3.733186		\$1,194,558.30
Less Fractional Adjustment					.03
Add Value of Overage					27.21
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					7,663.59
TOTAL VALUE AT TEST		18,645,254	3.733186	\$6.448017	\$1,202,249.07
Less Test over 3.5% @ 8.0¢ per point		18,645,254	.233186	0.186549	34,782.53
TOTAL UTILIZATION VALUE AT 3.5%		18,645,254	3.5	\$6.261468	\$1,167,466.54
Less Producer-Settlement Fund Reserve		18,645,254		.041468	7,731.81
PRODUCER UNIFORM PRICE F.O.B. POOL PLANTS		18,645,254	3.5	\$6.22	\$1,159,734.73

AUGUST 1968 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS  
 BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.82	3.6	\$6.30	4.2	\$6.78	4.8	\$7.26	5.4	\$7.74
3.05	5.86	3.65	6.34	4.25	6.82	4.85	7.30	5.45	7.78
3.1	5.90	3.7	6.38	4.3	6.86	4.9	7.34	5.5	7.82
3.15	5.94	3.75	6.42	4.35	6.90	4.95	7.38	5.55	7.86
3.2	5.98	3.8	6.46	4.4	6.94	5.0	7.42	5.6	7.90
3.25	6.02	3.85	6.50	4.45	6.98	5.05	7.46	5.65	7.94
3.3	6.06	3.9	6.54	4.5	7.02	5.1	7.50	5.7	7.98
3.35	6.10	3.95	6.58	4.55	7.06	5.15	7.54	5.75	8.02
3.4	6.14	4.0	6.62	4.6	7.10	5.2	7.58	5.8	8.06
3.45	6.18	4.05	6.66	4.65	7.14	5.25	7.62	5.85	8.10
3.5	6.22	4.1	6.70	4.7	7.18	5.3	7.66	5.9	8.14
3.55	6.26	4.15	6.74	4.75	7.22	5.35	7.70	5.95	8.18

DAILY AVERAGE PRODUCER RECEIPTS COMPARED TO GROSS CLASS I UTILIZATION  
 (Thousand Pounds)



## CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Aug. '67	\$5.67	-	-	8.4¢	\$6.24	8.6¢	\$3.97	7.7¢
Sept.	5.71	-	-	8.4	6.16	8.7	3.97	7.7
Oct.	5.63	-	-	8.4	5.98	8.7	3.98	7.7
Nov.	5.57	-	-	8.4	5.98	8.7	4.00	7.6
Dec.	5.65	-	-	8.4	6.14	8.6	4.04	7.8
Jan. '68	5.73	-	-	8.4	6.20	8.8	4.01	7.6
Feb.	5.77	-	-	8.4	6.20	8.6	4.00	7.6
Mar.	5.68 2/	\$5.81	\$3.98	8.2	6.20	8.6	4.02	7.6
Apr.	5.67 2/	5.89	4.14	8.2	6.28	8.6	4.18	7.6
May	5.90 2/	6.14	4.15	8.2	6.56	8.6	4.19	7.6
June	5.79 2/	5.96	4.14	8.2	6.44	8.6	4.18	7.6
July	5.97 2/	6.15	4.14	8.2	6.52	8.6	4.18	7.6
Aug.	6.22	-	-	8.0	6.62	8.0	4.20	7.7
Sept.	-	-	-	-	6.70	8.0	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE (Daily Average)			
	Chi.92° Butter	Minn/Wisc Mfg. Milk	Chi.Area Powder	Basic Formula 4/	Class I		Class II	
	¢ Lb.	\$-cwt-3.5%	¢ Lb.	\$-cwt-3.5%	Pounds	Test-%	Pounds	Test-%
Aug. '67	67.07	3.97	19.46	4.05	427,213	3.49	135,298	5.13
Sept.	67.13	3.97	19.37	4.05	482,438	3.47	113,367	5.97
Oct.	66.59	3.98	19.42	4.05	493,777	3.58	96,943	6.71
Nov.	66.48	4.00	19.50	4.05	470,450	3.57	109,481	6.66
Dec.	67.69	4.04	19.46	4.05	456,371	3.49	128,470	6.37
Jan. '68	66.44	4.01	19.42	4.05	476,833	3.58	111,321	6.73
Feb.	66.44	4.00	19.46	4.05	486,051	3.55	102,520	6.64
Mar.	66.44	4.02	19.49	4.05	463,722	3.48	133,332	5.80
Apr.	66.44	4.18	21.96	4.33	474,081	3.44	179,918	4.95
May	66.44	4.19	22.62	4.33	467,606	3.45	171,375	4.85
June	66.44	4.18	22.54	4.33	432,917	3.40	167,462	4.93
July	66.43	4.18	22.77	4.33	439,957	3.40	130,640	5.06
Aug.	66.59	4.20	22.90	4.33	504,464	3.40	96,996	5.47

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA				Deliveries Per		
	No.	Total	Class I	No.	Total	Base	Average	Farm-----Pounds		
	Hdlrs.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Aug. '67	8	627,993	469,524	548	562,511	-	3.88	1,026	-	-
Sept.	9	688,881	539,805	551	595,805	-	3.95	1,081	-	-
Oct.	9	717,502	575,169	550	590,720	-	4.09	1,074	-	-
Nov.	9	718,857	554,957	549	579,931	-	4.16	1,056	-	-
Dec.	9	721,913	535,531	548	584,841	-	4.12	1,067	-	-
Jan. '68	9	729,565	562,990	546	588,154	-	4.18	1,077	-	-
Feb.	10	745,749	579,909	541	588,571	-	4.08	1,088	-	-
Mar.	11	763,766	556,510	539	597,054	553,510	3.99	1,108	1,027	81
Apr.	11	804,063	531,929	536	653,999	574,609	3.85	1,220	1,072	148
May	11	805,968	533,685	535	638,981	563,280	3.82	1,194	1,053	141
June	11	798,670	533,671	537	600,379	546,005	3.82	1,118	1,017	101
July	10	758,105	563,764	535	570,597	519,550	3.78	1,067	971	96
Aug.	17	855,075	708,065	535	601,460	-	3.73	1,124	-	-

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is receipts minus Class I

4/ Basic Formula "floor" per Order Amendments